



From Alerts to Engagement

## The Value Dimensions of SMS Text Messaging

A lot has been written about difficulties businesses face in approaching the mobile channel, from simply not knowing how to start, to developing a strategy that aligns with company goals. Mobile marketing practitioners and providers have not done a very good job helping marketers understand the mobile landscape, such that only the most sophisticated are truly taking advantage of mobile, experiencing great success, and are on track to dominate their respective markets.

The challenge faced by the majority of businesses is relating mobile to something they already understand, such that they can take immediate action that lays the groundwork for using mobile more broadly within their business – just like the examples you read about daily on MobileMarketer.com. This is arguably more critical than understanding mobile metrics as you must first identify the logical problems mobile can solve within your business before establishing targeted outcomes.

### SMS for Mobile CRM

Many would have you believe that marketing is the killer application of SMS text messaging; in fact the real opportunity presented by text is more akin to customer relationship management, inclusive of marketing but also other business processes such as sales, service and support.

Taking on the view of text messaging as a platform for mobile CRM recognizes SMS as a channel of customer interaction – like the web, call center or storefront. Nothing about these channels has anything to do with marketing unless the business decides to employ them to that end – and that's just the way to view text messaging.

SMS as interaction channel is what separates text from more “destination” centric tactics such as email and the static web. Like real time recommendations on an e-commerce website or a call with a live contact center operator, SMS presents both the opportunity to communicate as well as engage with customers in two way conversations.

Buyers of text messaging products and services who embrace this viewpoint are well prepared to begin evaluating their options. The marketplace is saturated with companies offering text messaging services. To the uninitiated it appears they all offer essentially the same service – sending a message to someone for a fee. Many do.





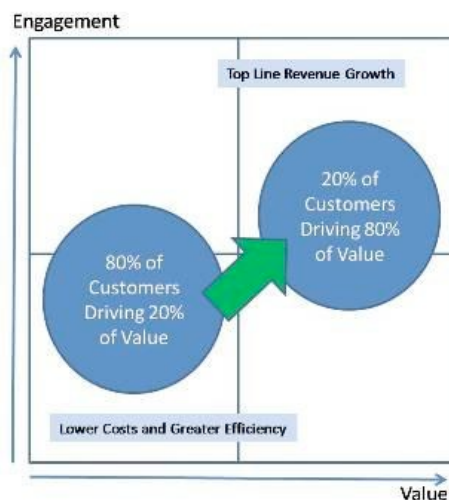
# Interactive Mediums

Our point of view

Some providers have advanced beyond this point to help businesses leverage text messaging in ways similar to other CRM and marketing technologies such as campaign management. The sending of messages between a business and consumer becomes incidental. Where marketers find value is in the ability to create multi-mobile channel programs that collect customer data, call customers to action and record the outcomes for oversight, segmentation and re-targeting. SMS text, email, mobile web and mobile social media combine in ways to create sales, efficiencies, happy customers and greater knowledge of buyer preferences.

## Costs and Efficiency versus Sales and Revenue

Some businesses such as healthcare organizations have demonstrated tremendous cost savings by employing seemingly simple text message appointment or prescription refill alerts. These applications have little to do with marketing, but everything to do with using mobile to create efficiencies. Similar applications are found in appointment oriented businesses, such as restaurants taking reservations.



As impressive as some of these results have been, I would argue that marketers need to keep their eyes on the top line/revenue growth “yin” to the cost savings/efficiencies “yang” offered by text messaging. That’s the theme behind the diagram at left.

As marketers in any segment – healthcare, restaurant or otherwise – approach the mobile channel, they have a variety of options for getting started. Many organizations will approach text messaging from a non-marketing perspective, which can yield impressive cost savings and efficiencies among an entire customer base – which tends to be dominated by customers served at a loss or break-even. Thus the utility of text messaging as a cost saver.

Those companies that leverage mobile marketing techniques in a parallel fashion to target the revenue side of business should experience even greater results by increasing the pool of highest value customers – the 20 or so percent which generate the greatest value, be it profits or revenue. The key to unlocking that added value is employing mobile engagement techniques such as promotions, couponing and others that call consumers to action.